

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

December 24, 1997

ORDER (Part 1)

CENTRAL MAINE POWER COMPANY
Divestiture of Generation Assets

Docket No. 97-523

WELCH, Chairman; NUGENT and HUNT, Commissioners

We approve Central Maine Power Company's (CMP or the Company) plan to divest the Company's generation assets. We find no need to modify CMP's plan because the plan is reasonable on its face. The plan provides the Company with a great deal of flexibility; we expect CMP to use that flexibility to enhance the value received for its assets. We impose certain conditions on CMP for the next phase of the divestiture process, CMP's request for approval of the sale of the Company's generation assets.

Pursuant to Chapter 110, section 1003 (b) of our Rules, we issue our decision in two parts. This first part states the decision and generally describes the sale approval process and conditions. The second part, that will be issued in January 1998, will contain the full statement of the Commission's findings and reasoning, as well as describe the conditions imposed on CMP in the sale approval phase.

We find CMP's divestiture plan is consistent with the Restructuring Act. We do however, impose the following requirements and conditions:

- As part of its plan, CMP is now evaluating Phase II bids. In evaluating the bids, CMP should compare the bids with other potential means to divest, as well as with unbundled or other bundled packages of assets.
- When filing for approval of sale of the generating assets, CMP must file a market power analysis.
- The reservation of some of the Qualifying Facilities contract entitlements may provide a hedge against unexpected price increases. In order to maintain the possibility of reserving some of those entitlements for this purpose, CMP should not propose to sell all of its QF contract entitlements throughout the remaining term of the contracts unless the QF contract sale is severable from any other sale of generating assets.

We will provide the reasoning for our findings and describe in more detail our conditions for CMP's filing for approval of the sale of assets case.

Accordingly Central Maine Power Company's divestiture plan is approved.

Dated at Augusta, Maine this 24th day of December, 1997.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Hunt

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

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